

Secret Supplement

DDA 84-2214/1

*1- Prelim
1- Augur Proposal I*

15 August 1984

MEMORANDUM FOR: Director of Personnel

FROM: Harry E. Fitzwater
Deputy Director for Administration

SUBJECT: Retirement Plans--Options for Consideration

1. In order to come to some type of an agreement as to our future approach regarding the retirement problem, you are requested to prepare a paper that covers several options for retirement plans. These options will be considered by the EXCOM the first week of September. We hope the results of the EXCOM will provide guidance as to the approach to take in your future planning.

2. In developing the options, you should include plans that cover CIA personnel only as well as options that would apply to all of the Intelligence Community personnel. Each of the options should include pros and cons of adoption. Suggested options to be considered are as follows:

a. Try to maintain the status quo by defending the current Civil Service and CIARDS programs for CIA personnel. There would be no changes in qualifying service or benefits regardless of how the rest of the Government goes.

ILLEGIB b. A new CIA program that recognizes CIA's uniqueness and provides for more benefits than the rest of the Government would receive under new legislation. This could be a two-tiered program as currently in use, except steering away from the Civil Service system used by the rest of the Government.

c. A special plan for the Community that recognizes the Intelligence Community as something special. This would provide for better benefits that the rest of the Government will receive.

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d. A special Community plan that is two-tiered, such as CIA has today, but with higher benefits, i.e., 2 percent of high three for those not qualifying for the second tier and 2.5 percent for the second tier (a CIARDS type tier).

e. A Community plan that has three tiers. First tier would be the same system as used by Agriculture, Social Security, etc. Second tier would be for all those who must be subjected to all the restrictions experienced by employees of CIA, i.e., 15-year background investigation, polygraph, reinvestigation program, restrictions in discussion of work, etc.; and the third tier would require the qualifications used in qualifying for CIARDS.

f. A plan that is two-tiered where those not qualifying for CIARDS go with the rest of the Government. Those qualifying for CIARDS receive special benefits.

3. The reason for looking at a Community approach is that there may be some benefit in numbers when trying to prevent the Agency from being absorbed in the new Civil Service legislation. We know that the Community will be aware of any CIA plan as soon as it is proposed to Congress and the Administration. It is obvious that the Community will try to get on the bandwagon so it may be easier and more productive to bring them aboard initially.

4. In any of the plans consider supplemental annuity programs such as 401K and larger IRA's. Also, extra annuity for retiring under cover, possibly instituting mandatory retirement, etc.

5. Please give these options some thought, plus any others you may wish to add, and give me a paper by the latter part of August. Do not worry about detail but give us a general idea of the plan. If you would like to discuss this before launching your staff work, I am available.

STAT


Harry E. Fitzwater

cc: EXDIR

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REMARKS

Bob,

Attached is a proposed response to the DDA regarding an options paper for the EXCOM on retirement. We have attempted to emphasize the importance of your making a presentation, such as that presented to the DDCI, as a lead in to the discussion of the option paper. We need to have our response to the DDA next week and are available to meet with you to incorporate any of your thoughts or comments.

cc: DD/Pers

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